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TORONTO STOCK EXCHANGE

ABACUS MINES LIMITED
(Formerly Apex Consolidated Resources Limited)

Filing Statement No. 618
Filed, September 21st, 1961

Incorporated under the laws of the Province of Ontario by Letters Patent dated June 13, 1945; Supplementary Letters Patent issued Sept. 20th, 1955 increasing capitalization; Supplementary Letters Patent issued May 20th, 1959, changing the name of the Company and decreasing its capitalization, and then increasing same.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Sale of what is believed to be the controlling block of shares of the Company, and certain appointments to the Board of Directors (See Schedule "A" on page 2)
2. Head office address and any other office address.	Suite 408, 100 Adelaide Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and a Director - R. Massey Williams, 84 Glencairn Avenue, Toronto, Ontario. Self-employed, Consulting Geologist & Mining Engineer Secretary-Treasurer and a Director - E. Franklin Furniss, 39 Marydon Crescent, Agincourt, Ontario, Self-employed, Corporate Secretary. Director - Harry A. Kaufman, Kilbarry Road, Toronto, Ontario. Self-employed, Manufacturers Agent. (Two vacancies presently exist)
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 5,000,000 shares no par value. Issued & Outstanding - 2,612,500 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The purchasers of what is believed to be the controlling block of shares, who will be directors of the Company, as set out in Schedule "A" hereto, intend that the business of the Company will be expanded to include the construction of shell houses and the acquisition of income producing properties of various natures. Any such ventures would be the subject of a subsequent filing statement before being undertaken.
10. Brief statement of company's chief development work during past year.	The Company abandoned the Goff "D" Lease in Kentucky. No development work undertaken since completion of three test wells in Breckenridge County, Kentucky early in 1960.

SCHEDULE "A" TO THE FILING STATEMENT OF
ABACUS MINES LIMITED (FORMERLY APEX CONSOLIDATED RESOURCES LIMITED) DATED THE
29TH DAY OF AUGUST, 1961.

The Company is informed by Harold Kay, of Toronto, that he has agreed to sell to First Naples Corporation, P.O. Box 1256, South Miami, Florida, 225,000 escrowed shares in the capital of the Company. Such purchase and sale, which is believed to affect what may be the controlling block of shares, is subject to acceptance of this filing statement for filing by the Toronto Stock Exchange, and transfer of the said shares is to take place immediately thereafter.

It is a condition of the sale that two nominees of the said First Naples Corporation will then be appointed to the Board of Directors to fill the existing two vacancies, and certain changes will be made in the officers of the Company. The Board of Directors and the Officers will then be as follows:-

President & Director	- Clifford Anderson, P.O. Box 1256, South Miami, Florida, Real Estate Developer.
Vice-President & Director	- Robert H. Slatko, 1335 San Remo Avenue, Coral Gables, Florida, Attorney at Law.
Secretary-Treasurer & Director	- E. Franklin Furniss, 39 Marydon Crescent, Agincourt, Ontario, Self-employed, Corporate Secretary.
Director	- R. Massey Williams, 84 Glencairn Avenue, Toronto, Self-employed, Consulting Geologist & Mining Engineer.
Director	- Harry A. Kaufman, Kilbarry Road, Toronto, Self-employed, Manufacturers Agent.

The only person owning a greater than 5% interest in First Naples Corporation is its President, Clifford Anderson, P.O. Box 1256, South Miami, Florida.

FINANCIAL STATEMENTS

ABACUS MINES LIMITED

BALANCE SHEET

AS AT JULY 31ST, 1961

ASSETS

CURRENT ASSETS

Cash	\$ 1,708.05	
Deposit for air travel	425.00	\$ 2,133.05

INVESTMENT IN WHOLLY-OWNED SUBSIDIARY COMPANY

Abacus Holdings Inc.		
Shares, at cost	950.00	
Advances	261,859.94	
	262,809.94	
Less: Allowance for diminution in value	152,500.00	110,309.94

MINING CLAIMS & PROPERTIES

7 Patented mining claims & 3 licences		
Algoma District, Ontario, at nominal value	1.00	
18 Unpatented claims, Kenora, Ont. at nominal value	1.00	
6 Unpatented mining claims, Eldorado Twp., Ontario, at cost	393.00	395.00

Office equipment - at cost less proceeds of sales		282.89
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Deferred exploration and administrative expenditures		23,835.85
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Other Assets and Deferred Charges

Miscellaneous investments - at nominal value	1.00	
Participation in grubstake syndicate	300.00	
Unexpired insurance	58.25	
Organization expenses	2,363.00	2,722.25
		\$139,678.98

LIABILITIES

CURRENT LIABILITIES

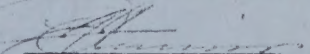
Accounts payable		\$ 694.80
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SHAREHOLDERS EQUITY

Capital stock:		
Authorized - 5,000,000 shares of no par value		
Issued - 2,612,500 shares	\$391,251.00	
Deficit -	252,266.82	138,984.18
		\$139,678.98

APPROVED ON BEHALF OF THE DIRECTORS

R. M. WILLIAMS  DIRECTOR.

E. F. FURNISS  DIRECTOR.

ABACUS MINES LIMITED
STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE
EXPENSES FOR SEVEN MONTH PERIOD
ENDING JULY 31ST, 1961

EXPLORATION EXPENDITURES:

Mining Licences, Government Fees & Taxes	143.43	
Deferred at December 31, 1960	<u>740.00</u>	883.43

ADMINISTRATIVE EXPENDITURES:

Managment Fees	415.00	
Accounting and Secretarial	900.00	
Legal & Audit	350.00	
Directors' Fees	150.00	
Transfer Agency Fees & Expenses	335.31	
Stock Exchange Fees	100.00	
Shareholders' Information Expense	494.07	
Office Salaries	1,650.00	
Postage, Stationery & other		
Sundry expenses	<u>140.69</u>	
	4,535.07	
Deferred at December 31, 1960	<u>18,417.35</u>	22,952.42
Balance - Deferred at July 31, 1961		<u>23,835.85</u>

ABACUS MINES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
JANUARY 1ST TO JULY 31ST, 1961

FUNDS PROVIDED:

Received from Subsidiary Company	6,824.56	
Received from cancellation of Insurances	<u>29.49</u>	6,854.05

FUNDS APPLIED:

Deferred Exploration & Administrative Expenses	4,678.50	
Grubstake Syndicate	300.00	
Staking of Mining Claims	<u>393.00</u>	5,371.50
Improvement in Working Capital		<u>1,482.55</u>

CHANGES IN WORKING CAPITAL:

Increases-

Increase in Cash	166.56	
Decrease in Accounts Payable	<u>1,717.76</u>	1,884.32

Decreases -

Decrease in Accounts Receivable	401.77	<u>401.77</u>
Net Improvement in Working Capital		<u>1,482.55</u>

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	700,000 shares subject to pro rata release only upon the written consent of the Toronto Stock Exchange.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>Frank Furniss, 67 Richmond St.W. Toronto 400,000 shares (as Trustee, for benefit Abacus Mines Ltd.)</p> <p>Harold Kay, 26 Humewood Drive, Toronto 225,000 "</p> <p>Berca Financial Corp. Ltd. 17 Queen St.E. Toronto 37,500 "</p> <p>The shares registered in the name of Mr. Furniss were issued as part payment on certain acreage in Kentucky, which acreage has been abandoned by the Company. These shares have been transferred to Mr. Furniss as Trustee for the benefit of this Company. As the Company has no way of knowing that some person or persons may have a valid claim against the 400,000 shares, the Company has no intention of dealing with the said shares in any way at the present time in order to give any person or persons who may have a valid claim ample opportunity to assert same.</p>
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Frank Furniss, as Trustee 400,000 shares escrowed 67 Richmond St. West, Toronto.</p> <p>Harold Kay, 26 Humewood Dr. Toronto 225,000 " escrowed</p> <p>Adams Reid Ltd., 200 Bay Street, Toronto, Ont. 83,900 "</p> <p>D. G. Wertz Coal Company, 40,000 " escrowed 314 First National Bank Bldg. Greensburg, Pa.</p> <p>Berca Financial Corporation Limited 37,500 " escrowed 17 Queen St. E. - Ste.241, Toronto</p> <p>The shares registered in the name of Mr. Furniss are held by him for the benefit of this Company, as above indicated.</p> <p>All other shares listed are believed to be beneficially owned by the listed shareholders</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the shareholders listed in paragraph 15 are in such a position.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>7 shares - Pan Israel Oil Co. Ltd.</p> <p>10 " - Barou Oil Co. Ltd.</p> <p>6 " - Hydra Explorations Ltd.</p> <p>All of the above are carried on the books at a nominal value of \$1.00. Market value approximately the same.</p>
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>None.</p> <p>No shares are believed to be in the course of primary distribution.</p>

This Filing Statement is not to be reproduced in whole or in part without the written approval of the Toronto Stock Exchange.

CERTIFICATE OF THE COMPANY

DATED August 29, 1961.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ABACUS MINES LIMITED
R. Massey Williams CORPORATE SEAL
President

E. F. Furniss
CERTIFICATE OF UNDERWRITER OR OPTIONEE Secretary-Treasurer

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 702.
FILED, MARCH 8th, 1962.

APR 4 1962

ABACUS MINES LIMITED

(Formerly Apex Consolidated Resources Limited)

Incorporated under the laws of the Province of Ontario by Letters Patent dated June 13, 1945; Supplementary Letters Patent issued Sept. 20th, 1955 increasing capitalization; Supplementary Letters Patent issued May 20th, 1959, changing the name of the Company and decreasing its capitalization, and then increasing same..

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous Filing Statement No. 618.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(1) Change in one director and in some of the officers of the Company (see paragraph 3 hereof). (2) Increasing the capital of the Company and varying its objects (see Schedule "A" hereto on page 2). (3) Acquisition of all outstanding shares of First Naples Corporation (see Schedule "A" hereto). (4) Underwriting of shares of Company (see para. 6 hereof). (5) Change of head office of Company.																
2. Head office address and any other office address.	Suite 1505, 55 York Street, Toronto, Ontario.																
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President, Treasurer - Clifford Anderson, P.O. Box 1256, South Miami, Fla., Real Estate Developer. & a Director 2nd Vice-Pres., Secty- Robert H. Slatko, 1335 San Remo Avenue, Coral Gables, Fla., Attorney-at-Law. & a Director 1st Vice-Pres. & - Colonel George L. Ford, 71 12th Ave. So., Naples, Fla., Retired from U.S.A. Army. a Director Director - R. Massey Williams, 84 Glencairn Ave., Toronto, Ontario, Consulting Geologist & Mining Engineer. Director - Harry A. Kaufman, 38 Kilbarry Road, Toronto, Ontario, Manufacturers' Agent. Assistant Secretary - Mrs. Jean M. Nelson, 19 Gothic Avenue, Toronto 9, Ontario, Secretary.																
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 5,000,000 shares no par value. Issued - 2,612,500 shares no par value.																
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil																
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	W. D. Latimer Limited, on behalf of itself and on behalf of certain clients, has agreed to firmly purchase 400,000 shares in the capital of the Company at 15 cents per share, payable within 48 hours of acceptance for filing of this filing statement by the Toronto Stock Exchange. The only persons having a greater than 5% interest in W. D. Latimer Limited are: William Dougall Latimer, 29 Edgehill Ave., Islington, Ontario; Donald Gordon MacGregor, 128 Glen Manor Dr., Toronto, Ontario; William Henry Wright, 27 O'Connor Drive, Toronto, Ontario; William Haig Whitehead, 18 Edwalter Avenue, Toronto, Ontario; James Herschel Allen, 19 Montesson Street, Islington, Ontario; Miss Ella Gertrude Currie, Apt. 604, 169 Jamieson Ave., Toronto; Miss Essie Latimer, 7 Reigate Road, Toronto, Ontario.																
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<table><thead><tr><th></th><th>Interest In Underwriting</th></tr></thead><tbody><tr><td>W. D. Latimer Limited, 244 Bay St. Toronto, Ont.</td><td>30%</td></tr><tr><td>Clifford Anderson, P.O. Box 1256, South Miami, Fla. Real Estate Developer</td><td>37%</td></tr><tr><td>Brewis & White Limited, 145 Yonge Street, Toronto, Ontario.</td><td>15%</td></tr><tr><td>Charles H. Weber, 3347 Oakland Park Blvd., Fort Lauderdale, Fla., Sales Manager for Clifford Anderson, Realtor</td><td>8½%</td></tr><tr><td>Col. George L. Ford, 71 12th Ave. South, Naples, Fla., Retired from U.S.A. ARMY</td><td>6%</td></tr><tr><td>Jack Barnes, P.O. Box 858, Naples, Fla., Construction Manager of First Naples Corporation,</td><td>2½%</td></tr><tr><td>Clifford H. Anderson, 8000 Sunset Drive, South Miami, Fla.</td><td>1%</td></tr></tbody></table> <p>The only persons having a 5% or more interest in Brewis & White Limited are: Arthur W. White, 61 Old Forest Hill Rd. Toronto. and L. W. McIlmurray, 300 Glenayr Road, Toronto.</p>		Interest In Underwriting	W. D. Latimer Limited, 244 Bay St. Toronto, Ont.	30%	Clifford Anderson, P.O. Box 1256, South Miami, Fla. Real Estate Developer	37%	Brewis & White Limited, 145 Yonge Street, Toronto, Ontario.	15%	Charles H. Weber, 3347 Oakland Park Blvd., Fort Lauderdale, Fla., Sales Manager for Clifford Anderson, Realtor	8½%	Col. George L. Ford, 71 12th Ave. South, Naples, Fla., Retired from U.S.A. ARMY	6%	Jack Barnes, P.O. Box 858, Naples, Fla., Construction Manager of First Naples Corporation,	2½%	Clifford H. Anderson, 8000 Sunset Drive, South Miami, Fla.	1%
	Interest In Underwriting																
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Clifford H. Anderson, 8000 Sunset Drive, South Miami, Fla.	1%																
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Nil																

SCHEDULE "A" TO THE FILING STATEMENT
OF ABACUS MINES LIMITED (FORMERLY APEX
CONSOLIDATED RESOURCES LIMITED) DATED
THE 26TH DAY OF FEBRUARY, 1962.

Subject to the confirmation of the agreement by the shareholders of the Company, and subject also to confirmation by the shareholders of an increase in the authorized capital of the Company from 5,000,000 shares without par value to 10,000,000 shares without par value, and to the objects of the Company being varied to permit the Company to engage in all phases of real estate development, holding, construction and sales, and subject to acceptance for filing by the Toronto Stock Exchange of notice of such agreement, under its Ruling No. 49, the Company has agreed to purchase from Clifford Anderson, of South Miami, Florida, all 1,968,534 issued shares in the capital of First Naples Corporation, a company incorporated under the laws of Florida. The consideration payable to Mr. Anderson will be satisfied by the allotment and issue to him, as fully paid and non-assessable shares, of 5,000,000 shares in the capital of the Company, without par value. Of such shares, 1,000,000 shall be issued free from any escrow or pooling provisions and the remaining 4,000,000 shares when issued shall be placed in escrow with the Company's stock registrar and transfer agent, to be released from time to time pro rata only with the prior consent of the Toronto Stock Exchange, and in no event shall more than 1,000,000 of such escrowed shares be released in any one calendar year commencing February 26th, 1962.

It is proposed that the annual and a general meeting of the shareholders will be held within the next 30 days to consider the foregoing matters.

Note - The following is a letter by the President of the Company to the shareholders dated March 16th, 1962, as contained in the Annual Report of the Company for the year ended December 31, 1961.

Enclosed with this letter you will find a notice calling the annual and a general meeting of shareholders, to be held at the King Edward Sheraton Hotel in Toronto on March 30th, 1962. Also enclosed are copies of the Company's financial statements for the year ended December 31st, 1961, and a form of instrument of proxy for use by shareholders unable to attend the meeting.

The meeting has been called as the annual meeting for this year, to conduct the usual business requiring annual attention, such as election of directors, receipt of and consideration of financial statements and the appointment of auditors. The meeting is also being classified a general meeting in order that it may consider certain matters of other than routine nature, which materially affect the Company and its shareholders.

The first of such items of special business is the consideration by the shareholders of an agreement made February 26th, 1962, as amended March 10th, 1962, with Clifford Anderson, the President and a director of this Company. Pursuant to the terms of the agreement, if the agreement is confirmed by the shareholders by a majority of the votes cast at the meeting, Mr. Anderson will sell to this Company all of the presently issued shares in the capital of a Florida company, First Naples Corporation, in return for the allotment and issue to him of 5,000,000 fully paid and non-assessable shares in the capital of the Company. Of these shares, 1,000,000 will be received by Mr. Anderson free from any escrow or pooling provisions, and 4,000,000 shares will be escrowed, requiring the consent of the Toronto Stock Exchange to any release. Not more than 1,000,000 escrowed shares shall be released in any one year, commencing February 26th, 1962.

The assets of First Naples Corporation, which company will become the wholly owned subsidiary of Abacus, consist of presently undeveloped real estate in Collier County, Florida, having a fair market value of \$2,131,025, according to an appraisal made by George D. Polly. The directors intend to operate First Naples Corporation as a real estate development company and to concentrate initially on the sale of the presently held 2,302 acres near Naples, Florida. Utilizing funds to be received, it is intended to purchase, develop and sell acreage in the Cape Canaveral-Orlando area of Florida, concentrating on construction of low-cost shell type residences, and ultimately branching into industrial centres. The parent company, Abacus Mines Limited, will retain its identity as a mining exploration company.

The second such item of business is a proposed application for supplementary letters patent to increase the authorized capital from 5,000,000 shares without par value to 10,000,000 shares without par value, and to vary the objects of the Company to include real estate powers. This requires approval by at least two-thirds of the votes cast, personally and by proxy, at the meeting. The proposed capital increase is necessary in order that effect may be given to the Company's obligation to allot and issue to Clifford Anderson the 5,000,000 shares above referred to and the variation of the objects is necessary that the Company may legally acquire, hold, develop and deal in real estate. It is intended that the proposed capital increase and variation of objects will be submitted to the shareholders only if the aforesaid agreement with Mr. Anderson has been confirmed by the shareholders.

The Company has just received \$60,000 through the sale of 400,000 shares at 15 cents each to W. D. Latimer Limited of Toronto, which has acted on its own behalf and on behalf of Clifford Anderson and George L. Ford, two of the directors of Abacus, and others, as clients.

As the proposed acquisition of the issued shares of First Naples Corporation and the agreement related thereto directly involve Mr. Clifford Anderson, the President and a director of Abacus, as the other contracting party, the directors of Abacus have decided to submit the matter to the shareholders for their consideration. The directors believe that the proposal is in the best interests of the Company, and solicit the support of the shareholders for the confirmation of the agreement, and for the increase in capital and variation of objects. Shareholders may inspect the said appraisal of George D. Polly and may inspect financial statements of First Naples Corporation at the head office of the Company. It is expected that copies of such financial statements, as at December 31st, 1961, will be mailed to shareholders prior to the meeting.

A proxy form is provided for use by those shareholders who cannot be personally present. The same should be signed, dated and returned to the Company's head office before the meeting. Proxies received by the management will be voted in favour of all of the foregoing matters.

On behalf of the Board of Directors,

CLIFFORD ANDERSON,
President.

ABACUS MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

STATEMENT I

Balance Sheet — December 31, 1961

ASSETS

CURRENT ASSETS:

Cash	\$ 117.11
Deposit for air travel	425.00
	<u>\$ 542.11</u>

INVESTMENT IN WHOLLY-OWNED SUBSIDIARY COMPANY, ABACUS HOLDINGS, INC.: (See Note 1.)

Shares — at cost	950.00
Advances	262,274.94
	<u>263,224.94</u>
Less: Allowance for diminution in value	263,208.97
	<u>15.97</u>

MINING PROPERTIES:

7 patented mining claims and 3 licenses of occupation, Algoma District, Ontario — at nominal value	1.00
6 unpatented mining claims, Eldorado Township, Ontario — at cost	393.00
	<u>394.00</u>
Office equipment — at nominal value	1.00
Deferred Exploration and Administrative Expenditures — Statement II	23,604.20
	<u>23,605.20</u>

OTHER ASSETS AND DEFERRED CHARGES:

Miscellaneous investments — at nominal value	1.00
Organization expenses	2,363.00
	<u>2,364.00</u>
	<u>\$31,921.26</u>

LIABILITIES

CURRENT LIABILITIES:

Loan from the President	\$ 103.87
Other accounts payable and accrued liabilities	4,329.59
	<u>\$ 4,433.46</u>

SHAREHOLDERS' EQUITY:

Capital Stock (See Notes 2, 3 and 4)

Authorized:

5,000,000 shares of no par value

Issued:

2,612,500 shares	391,251.00
Deficit — Statement III	363,763.18
	<u>27,487.82</u>

Approved by the Board:

"R. MASSEY WILLIAMS," Director

"HARRY A. KAUFMAN," Director.

AUDITORS' REPORT

The Shareholders,
Abacus Mines Limited

We have examined the balance sheet of Abacus Mines Limited as at December 31, 1961 and the statements of deferred exploration and administrative expenditures and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada,
March 12, 1962.

In our opinion the accompanying balance sheet and statements of deferred exploration and administrative expenditures and deficit, together with the notes thereto, present fairly the financial position of the company at December 31, 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

"STRICKLAND, SANDHAM & CO.,"
Chartered Accountants.

ABACUS MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

For the Year Ended December 31, 1961

EXPLORATION EXPENDITURES:

Mining licenses, Government fees and taxes	\$ 143.43	
Geophysical and geological surveys	—	
	<u>143.43</u>	
Deferred at December 31, 1960	740.00	
	<u>883.43</u>	
Expenditures written off to deficit account	4.50	\$ 878.93

ADMINISTRATIVE EXPENDITURES:

Management fees	475.00	
Directors' fees	325.00	
Accounting and secretarial	3,485.00	
Legal and audit fees	3,075.00	
Transfer agency fees and expenses	994.90	
Listing and filing fees and expenses	162.88	
Shareholders' information expense	494.07	
Telephone and telegraph	30.30	
Postage, stationery and other sundry expenses	247.09	
Miscellaneous taxes and filing fees	18.68	
	<u>9,307.92</u>	
Deferred at December 31, 1960	18,417.35	27,725.27
Balance December 31, 1961		<u>\$28,604.20</u>

NOTE: Expenditures deferred at May 31, 1959 were written off in the capital reorganization in that year.

STATEMENT III

ABACUS MINES LIMITED

Statement of Deficit

For the Year Ended December 31, 1961

Deficit December 31, 1960	\$252,266.82
Add:	
Unpatented mining claims allowed to revert to the Crown:	
18 claims, Kenora District	\$ 1.00
Deferred exploration	4.50
	<u>5.50</u>
Settlement of mining engineer's account for services in connection with claims written off in 1960	200.00
Grubstake	300.00
Amount written off office equipment to reduce to nominal value	281.89
Provision for diminution in value of the company's investment in its wholly-owned subsidiary	110,708.97
Deficit December 31, 1961	<u>\$363,763.18</u>

MURRAY G. COHEN
Certified Public Accountant

154 Almeria Avenue
CORAL GABLES 34, FLORIDA
Highland 8-4122

March 16, 1962.

First Naples Corp.,
8000 Sunset Blvd.,
Miami, Florida.

Attention: Mr. Clifford Anderson, President.

Subject: Financial Statement, December 31, 1961.

Dear Mr. Anderson:

As part of my 1961-1962 examination of your accounts, now in progress, I have prepared the following statements from your general books:

1. Balance Sheet as at December 31, 1961.
2. Statement of Income and Expense for four month period ended December 31, 1961.

These reports are presented without an expression of opinion. Our service to date is only a part of the work to be done on a continuous audit throughout the fiscal year ending August 31, 1962.

Our work on the accounts through December 31, 1961 included such auditing procedures as would fit into our program extending through August 31, 1962, which, when completed, will enable us to express an opinion respecting the annual financial statement to be prepared at that time.

Very truly yours,

MURRAY G. COHEN,
Certified Public Accountant.

FIRST NAPLES, CORP.
MIAMI, FLORIDA

Balance Sheet - December 31, 1961

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank	\$ 24.81
Contracts Receivable	230,424.10
Land Unsold, Market Value, Estimated	2,718,000.00
Accounts Receivable	2,402.62

Total Current Assets

\$ 2,950,851.53

FIXED ASSETS:

Furniture, Fixtures, Leasehold Improvements	\$ 22,558.88
Less Reserve for Depreciation and Amortization	9,304.67

Total

13,254.21

INVESTMENTS:

Klassen Enterprises, Inc. Deposits	\$ 5,000.00
Real Estate Trusts, Escrow Accounts	65,600.08
Circle Four, Inc.	132,000.00

Total

202,600.08

TOTAL ASSETS

\$ 3,166,705.82

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

Accounts Payable and Accrued Items	\$ 21,483.36
Notes and Contracts Payable	166,847.34
Taxes Payable	3,447.34
Due C. Anderson, Realtor	16,897.67

Total Current Liabilities

\$ 208,675.71

RESERVE FOR UNREALIZED INCOME, Net

14,044.60

CAPITAL AND SURPLUS:

Capital Stock: 2,000,000 shs. \$1. par Auth.	\$ 542,767.00
1,963,034 shs. iss'd and o/s	

Surplus:

Earned Balance as at 8-31-61	\$ 7,914.92
Loss period 4 months to 12-31-61	(2,019.24)

Surplus from Appraisal of Real Estate, Net

2,395,322.83

Total

2,943,985.51

TOTAL LIABILITIES AND CAPITAL

\$ 3,166,705.82

EXHIBIT 'A'

1. The accounts of the subsidiary company have not been included in the financial statements of this company because its operations are not similar and the financial statements of this company along with these statements.

The accumulated deficit of the subsidiary company to December 31, 1961 has been provided for in the financial statements of this company.

2. 400,000 issued escrowed shares of the capital stock of the company are registered in the name of an officer of the company who holds them in trust for the sole use and benefit of the company.

3. On November 17, 1961, the directors authorized the company to enter into an agreement satisfactory to the shareholder

shares of the capital stock of Abacus Mines Limited, of which 4,000,000 shares would be escrowed and subject to release only upon written consent of the Toronto Stock Exchange. The directors also authorized the company to make application for Supplementary Letters Patent providing for increasing the authorized capital of the company by creating an additional 5,000,000 shares and varying the provisions of the Letters Patent by increasing its objects, subject to ratification and confirmation by the shareholders (2) to negotiate an underwriting of the shares of the company.

Pursuant to the authority referred to above the company

(a) on January 8, 1962 entered into an agreement with Clifford Anderson to purchase from him, subject to certain terms and conditions, 1,968,534 shares of the capital stock of First Naples Corporation in consideration of the

allotment and issue to him of 5,000,000 shares of the capital stock of Abacus Mines Limited.

(b) on February 23, 1962 entered into an agreement with W. D. Laitimer Limited, under the terms of which W. D. Laitimer Limited on behalf of Clifford Anderson as to a 37% interest and on behalf of Brewis & White Limited as to a 15% interest; on its own behalf as to a 30% interest and on behalf of certain other parties as to the remaining 18%, agreed to firmly purchase from the company 400,000 shares of its capital stock at 15 cents per share, subject to the company acquiring all the issued stock of First Naples Corporation and subject to the Toronto Stock Exchange accepting for filing a filing statement of the company, within two business days from the date the said filing statement is accepted for filing by the Toronto Stock Exchange.

(c) on February 26, 1962 entered into a new agreement with Clifford Anderson under the terms of which, as amended by agreement dated March 10, 1962,

(1) the agreement dated January 8, 1962 was terminated.

(2) Clifford Anderson agreed to sell to Abacus Mines Limited and Abacus Mines Corporation, for and in consideration of the sum of \$510,000.00 to be satisfied by the allotment

namely 1,968,534 shares, for and in consideration of the sum of \$510,000.00 to be satisfied by the allotment

by a majority of the votes cast at a general meeting of the shareholders of the company called for such

purpose here and there the acceptance for filing by the Toronto Stock Exchange of the filing statement of the company from 5,000,000 shares without par value to 10,000,000 shares without par value and varying

the objects of the company to permit it to engage in all phases of real estate, development and exploitation,

(3) it was agreed that upon the allotment and issue of the said 5,000,000 shares, certificates representing 1,000,000 shares thereof shall be delivered free from any escrow or pooling provision. Certificates for the

remaining 4,000,000 shares shall be placed in escrow subject to release only with the prior consent of the

Toronto Stock Exchange and, in any event, no more than 1,000,000 of such escrowed shares to be released

in any one year commencing February 26, 1962.

(4) it was also agreed that the closing of the transaction take place within forty-eight hours of the date upon

which Abacus Mines Limited shall have performed and fulfilled the last of the conditions referred to in (2)

above, at which closing Clifford Anderson shall transfer to the company the said 1,968,534 shares of First

Naples Corporation free of all encumbrances and liens.

4. Payment for the 400,000 shares underwritten by W. D. Laitimer Limited was received on March 12, 1962.

ABACUS HOLDINGS, INC.

(Incorporated under the laws of the State of Delaware)

STATEMENT I

Balance Sheet - December 31, 1961

Cash	\$ 36.97
Account receivable	\$9,964.24
Less: Allowance for non-collection	9,964.24
Surface and well equipment - at nominal value	1.00
LIABILITIES	\$ 37.97
Accrued liabilities	\$ 22.00
Advances by parent company, Abacus Mines Limited (\$262,274.91 Canadian)	275,189.33
Capital Stock:	
Authorized and issued - 2,000 shares without par value	1,000.00
Deficit - Statement II	(276,173.36)
	\$ 37.97

Approved by the Board:

"R. MASSEY WILLIAMS", Director.
"HARRY A. KATZMAN", Director.

AUDITORS' REPORT

The Shareholders,
Abacus Holdings, Inc.
We have examined the balance sheet of Abacus Holdings, Inc. as at December 31, 1961 and the statement of profit and loss and deficit for the year ended on that date. Our examination was made in conformity with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.
In our opinion the accompanying balance sheet and statement of profit and loss and deficit present fairly the financial position of the company at December 31, 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.
Toronto, Canada,
March 12, 1962.
STRICKLAND, SANDHAM & CO.,
Chartered Accountants.

Statement of Profit and Loss and Deficit

For the Year Ended December 31, 1961

Miscellaneous expenditures incurred during the year (net)	\$ 203.55
Amount written off surface and well equipment	679.76
Oil and gas leases on non-producing land in Breckinridge County, Kentucky, which have been or will be allowed to lapse	92,786.00
Deferred exploration and administrative expenditures written off	17,452.08
	111,121.39
Less: Profit on exchange on partial settlement of account owing to parent company	243.31
Loss for the year	110,878.08
Deficit, December 31, 1960	165,110.28
Unamortized balance of organization expense written off	165.00
Deficit, December 31, 1961	\$276,173.36

FIRST NAPLES, CORP.

MIAMI, FLORIDA

STATEMENT OF INCOME AND EXPENSE

INTERIM REPORT, FOUR MONTH PERIOD ENDED DECEMBER 31, 1961.

INCOME:

Profit Realized on Installment Collections \$ 18,533.68

EXPENSES:

Loss from Forfeiture Contracts	\$ 1,425.00
Office Supplies	461.55
Salaries, Other	741.24
Commissions Paid	210.00
Rent	600.00
Utilities	227.17
Telephone	704.14
Advertising	5.12
Interest	1,952.79
Travel	831.71
Repairs and Maintenance	84.63
Auto Expense	2,525.88
Printing and Stationery	200.85
Payroll, Taxes	76.97
Taxes, Other	2,600.44
Postage	100.00
Dues and Subscriptions	31.98
Entertainment	160.44
Legal and Professional	3,186.97
Recording Fees and Abstracts	121.25
Equipment, Rental	24.47
Airplane Expense	2,538.25
Depreciation	668.53
Interest	<u>1,073.54</u>
Total	<u>20,552.92</u>

LOSS FOR FOUR MONTH PERIOD ENDED DECEMBER 31, 1961

(\$ 2,019.24)

Exhibit B.

Note - The following are excerpts from an Appraisal Report by G.D. Polly dated August 31st, 1961, of the properties of First Naples Corporation. A complete copy of the report is on file with the Toronto Stock Exchange.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to determine the Fair Market Value of the property as described herein as of the date specified.

Fair Market Value, as defined by the Courts, is the highest price estimated in terms of money that a property will bring if exposed for sale on the open and competitive market, allowing a reasonable time to find a purchaser who buys with the knowledge of all the uses to which it is adapted and capable of being used.

GENERAL COMMENTS

The property under appraisal herein consist of various unimproved sections of land located generally from three to eight miles east of the Tamiami Trail except two parcels which are more remote, in the Naples area of Collier County, Florida. All of the parcels or Sections of land are more particularly described elsewhere in this report.

Six of the Sections are located on new paved highways. Some of the Sections front directly on the highways. New canals have greatly improved the drainage in the general vicinity. Much of the land formerly considered marginal will have more and better use as proposed subdivisions. While some of this land was formerly used as cattle land, there has been no such operation in recent years.

This land will be used for homesites when sufficient development of the area takes place which is indicated by the activity of Gulf American Land Corporation in their two adjacent developments of Golden Gates and North Golden Gates and the sale of their acreage adjoining these two cities. This general area east and northeast of Naples is served by the Naples-Immokalee SRD 846 and also SRD 858 Highway, which are considered primary State Roads. Parcel K-3, Section 30-48-36, is located about a mile east of the new Palm River Estates Golf Course. Parcel C-4-3 (Circle 4 Estates) is an interior section with no road frontages and is some three miles east of SRD Highway 858.

The 1960 population of Naples area was over 10,000. This area has developed rapidly with an increase in year-round residents as well as winter residents. There are nice beaches in the area along the Gulf of Mexico which appeal to the local people as well as winter visitors.

Concerning the retention of three-fourth of the oil rights by previous owners, preliminary negotiations with these owners has established that such three-fourths retention can be purchased for approximately \$3.00 per acre.

The approach to valuations of the various parcels, which have been valued as a whole section even though under more than one ownership, is the approach commonly referred to as the "Comparative Approach". This involves the use of comparable sales of similar size parcels and in this instance sales of Gulf American Land Corporation, Golden Gates Estates, which is adjacent to the appraised property (see maps). According to the published reports of Gulf American Land Corporation, 6000 acres of land in Golden Gates Estates have been sold to the public during the past nine months preceeding the date of this appraisal.

RECAPITULATION

<u>PARCEL NO.</u>	<u>ACRES</u>	<u>FAIR MARKET VALUE</u>
KE-2	40	\$ 33,314.00
KE-3	60	59,925.00
KE-4	120	180,000.00
KE-6	40	33,315.00
KE-7	100	83,285.00
KE-8	640	533,024.00
KE-10	320	420,000.00
KE-12	210	206,412.00
KE-14	460	440,900.00
C4-3	220	107,900.00
TE-27	40	3,200.00
TE-30	52	15,000.00
ESDC	17 LOTS	14,750.00
TOTAL		\$2,131,025.00

CONDITIONS OF APPRAISAL

Unless otherwise stated, this appraisal is subject to the following conditions:

1. Information as to the description of the appraised properties is available at 99 9th Street North, Naples, Florida. I am familiar with the appraised properties and the general area of the appraised properties. From personal inspection and investigation, this data is believed to be correct.
2. The appraiser does not warrant the title or ownership of the appraised properties. It is understood that a commitment of title insurance will be issued by a title insurance company. It is assumed that the description of the parcels correctly designates the boundary lines.
3. The opinion of value was made without benefit of survey. Mr. R. W. Wilson, registered Surveyor and Engineer, 665 Fifth Avenue South, Naples, Florida, was consulted concerning elevation data. This data was taken from U. S. Geological Survey Maps.
4. The appraisal is as of August 31, 1961.
5. The appraisal covers the premises described only. Unit value derived is not applicable to any other property, however similar the same may be.

QUALIFICATIONS OF APPRAISER

GEORGE DEWEY POLLY, REALTOR

Resident of Naples, Collier County, Florida from 1950 to date.

Has bought, sold, developed and appraised property in this area for the past ten years.

Registered broker in the State of Florida since 1953; member of Naples-on-the-Gulf Board of Realtors; Florida Association of Realtors; National Association of Real Estate Boards; National Institute of Real Estate Brokers; International Trader's Club of the National Institute of Real Estate Brokers.

Appraised for banks, trust companies, estates, attorneys, lending institutions, corporations and individuals.

AR85

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 848,
FILED DECEMBER 27th, 1962.

[Handwritten signature]

ABACUS MINES AND REALTY, LTD.

Full corporate name of Company
Incorporated under the laws of the Province of Ontario
by Letters Patent dated June 13th, 1945.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT Reference is made to previous
Filing Statement No. 702.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material
change in the affairs of the company
in respect of which this statement is
filed.

To reflect, subject to the further approval and
confirmation by the shareholders of the Company:-

(a) the proposed consolidation and reorganization
the Company's capital by the consolidation of the
8,012,500 issued shares into 801,250 issued shares
and the cancellation of 288,750 unissued shares so
that the Company will have an authorized capital of
2,500,000 shares of no par value of which there will
be issued and outstanding 801,250 shares.

(b) the proposed increase in the Company's objects
(see item 11. hereof);

(c) the voluntary removal by the Company from listing
on the Toronto Stock Exchange of all escrowed or
unissued shares of the capital stock of the Company,
as consolidated, as shall exist after all the transactions
are completed as outlined herein;

(d) the proposed change of name of the Company to Abacon
Developments Limited or such other name as may be acceptable
to the Lieutenant Governor of the Province of Ontario and
the listing committee of the Toronto Stock Exchange;

(e) the proposed change in the category of the listing of
the Company's shares on the Toronto Stock Exchange to
"industrial";

(f) the proposed increase in the number of Directors; and

(g) the proposed acquisition of all outstanding shares of
the capital stock of two Venezuela Companies, (see item 11.
and 12. hereof).

FEB 5 1963

2. Head office address and any other
office address.

Suite 1505, 55 York Street, Toronto, Ontario.
201 Northwest 42 Ave., Miami, Florida.

3. Names, addresses and chief occupa-
tions for the past five years of
present or proposed officers and
directors.

PRESENT BOARD OF OFFICERS AND DIRECTORS

President and Director	Clifford Anderson, P.O.Box 1256, South Miami, Fla.	Real Estate Developer
1st Vice-President and Director	Col. George L. Ford, 71 12th Ave. So., Naples, Fla.	Retired from U.S.A. Army
Secretary-Treasurer and Director	Robert H. Slatko, 1335 San Remo Ave., Coral Gables, Fla.	Attorney-at-Law
Director	R. Massey Williams, 84 Glencairn Ave., Toronto, Ontario.	Consulting Geologist
Director	Harry A. Kaufman, 38 Kilbarry Road, Toronto, Ontario.	Manufacturers' Agent
Assistant- Secretary	Mrs. Jean M. Nelson, 19 Gothic Ave., Toronto, Ontario.	Secretary

Upon completion of the proposed purchase as referred to in
item 11. hereof, Donald Clark Duke, Maracaibo, Venezuela,
South America, Executive, and Dr. Irving Rutkin, Box 2001,
Miami 59, Florida, will be appointed to the Board.
Mr. Duke will replace Col. Ford as First Vice-President.
An executive committee will be appointed consisting of
Messrs. Anderson, Duke and Slatko.

4. Share capitalization showing author-
ized and issued and outstanding
capital.

The Company has an authorized capital of 10,000,000
shares of no par value of which 8,012,500 shares are
issued and outstanding. Of the issued capital 400,000
shares are held for the benefit of the Company. The
Company proposes to consolidate the 8,012,500 issued
shares into 801,250 issued shares and to cancel
288,750 of the unissued shares so that the Company
will have an authorized capital of 2,500,000 shares
of no par value. When the transactions referred to
in item 1. (g) are completed the Company will have
an issued capital of 1,284,250 shares as consolidated.

5. Particulars in respect of any bonds,
debentures, notes, mortgages, charges,
liens or hypothecations outstanding.

There are no bonds, debentures, notes, mortgages,
charges, liens or hypothecations outstanding by the
company. However, the company's wholly-owned sug-
cidiary First Naples Corporation, has hypothecated
certain land and receivables under mortgage notes
payable or under agreements for deed. The mortgage
notes payable on August 31, 1962 amounted to
\$196,739.50 and have been reduced to \$147,890.15 as
at December 31, 1962. Under agreements for deed, the
company owed \$1,517.81 as of August 1962 which amount
has been reduced to \$800.00 as at December 31, 1962.

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None of the treasury shares of the Company are now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	N/A
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payments in cash or securities of the Company have been made or are to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>The Company's wholly owned subsidiary, First Naples Corporation, will offer for sale its real estate holdings near Naples, Florida; proceeds of such sales will be used to purchase, develop and sell acreage in the Cape-Canaveral Orlando area of Florida.</p> <p>Upon the acquisition of the two Venezuela Companies, it is proposed to continue their operation and devote the cash flow so developed to the improvement of the Company's financial status.</p> <p>The Company's mineral-petroleum holdings will be maintained in good standing. The Company will examine mining situations of merit in Canada and elsewhere with a view toward their acquisition and development.</p>
10. Brief statement of company's chief development work during past year.	A program of diamond drilling has been completed on the Company's claims in Eldorado Township, Ontario, to investigate anomalies revealed by a geophysical survey conducted some two years ago.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>By Agreement dated August 14th, 1962, Donald Clark Duke of Maracaibo, Venezuela, South America, agreed to sell to the Company, subject to the terms hereinafter set out, all of the issued and outstanding shares of two companies, Industrial X-Ray de Venezuela, C.A. and Coastal Service Company, C.A. for and in consideration of the allotment and issue of 483,000 fully paid and non-assessable shares of the capital stock of the Company as consolidated, of which 400,000 shares will be escrowed subject to release at the pleasure of the Toronto Stock Exchange.</p> <p>The Company, subject to the said sale being confirmed by its shareholders, agrees to purchase the said shares of the said Companies, for the said share consideration.</p> <p>Industrial X-Ray de Venezuela, C.A. is engaged in X-ray examination of petroleum pipelines in Venezuela and Colombia and Coastal Service Company, C.A. is a service company servicing pipelines and oilwells in the same area, and is the largest in its field.</p> <p>Upon acceptance of a filing statement by the Toronto Stock Exchange reflecting the terms of the aforesaid agreement and subject to approval by the Company's shareholders the following terms of the said Agreement will be completed:-</p> <p>(a) Changes on the Company's Board as referred to in item 3. hereof will be effected;</p> <p>(b) The issued 8,012,500 shares of the Company's authorized capital will be consolidated into 801,250 issued shares and 288,750 of the unissued shares cancelled so that the Company will have an authorized capital of 2,500,000 shares of no par value.</p> <p>(c) Increasing the objects of the Company by adding the following:-</p> <p>(i) To carry on business of all types of services related to or pertaining to the drilling, maintaining and producing of oil and gas wells;</p> <p>(ii) To make, acquire, produce, hold, operate, repair, use and dispose of or otherwise deal in all sorts of products, machinery, plant, equipment and devices related to or connected with the drilling of wells or the products of oil, gas or minerals; and</p> <p>(iii) To act as agents or representatives for oil or gas companies.</p>

FINANCIAL STATEMENTS

ABACUS MILES AND REALITY LIMITED

(Incorporated under the Laws of the Province of Ontario)

AND ITS CONSOLIDATED SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET

31st August, 1953

CURRENT ASSETS		A S E T S
Cash in Hand and in Banks	\$ 2,942.71	
Contracts Receivable on sale of Land	189,497.46	
Land held for Sale (Florida)		
Original Value	\$ 220,184.64	
Appraisal Increase	2,351,209.64	
Experimental Model Home	2,056.97	
Deposit for Air Travel	425.00	
Loans Receivable	11,044.86	
	<u>\$ 2,540,178.44</u>	
<u>INVESTMENT IN NON-CONSOLIDATED WHOLLY OWNED SUBSIDIARY COMPANY,</u>		
Atecus Holdings, Inc.		
Shares, at cost	\$ 950.00	
Advances	262,274.94	
	<u>\$ 263,224.94</u>	
Less: Allowance for Diminution in value	15.97	
	<u>\$ 263,208.97</u>	
<u>FIXED ASSETS</u>		
Furniture, Fixtures, Improvements	\$ 22,339.86	
Less: Accumulated Depreciation	10,239.65	
	<u>12,100.21</u>	
<u>Mining Properties</u>		
7 patented mining claims and 3 Licenses of occupation, Algoma District, Ontario, at nominal value	1.00	
6 unpatented mining claims, Flödrad Township, Ontario, at cost	333.00	
	<u>394.00</u>	
Deferred Exploration and Administrative Expenditures, per Statement herewith	29,736.71	
	<u>\$ 29,736.71</u>	
<u>INVESTMENTS, ESCROW FUNDS AND OTHER</u>		
Circle Four, Inc.	\$ 132,000.00	
Kingville Estates, Unit #3 (70.5% Equity)	52,442.85	
M. Ray, Escrow (Net)	28,218.77	
Deferred Charges and Other	12,345.39	
	<u>224,977.01</u>	
<u>ORGANIZATION EXPENSES</u>		
	3,298.00	
	<u>\$ 2,810,546.36</u>	

CURRENT LIABILITIES		L I A B I L I T I E S
Payroll Taxes Payable	\$ 609.97	
Accounts Payable	4,853.69	
Commissions Payable	1,256.90	
Sundry Accounts Payable	220.00	
Loan Payable	10,000.00	
	<u>\$ 17,640.56</u>	
<u>MORTGAGE NOTES AND CONTRACTS PAYABLE</u>		
Mortgage Notes Payable	\$ 196,739.50	
Contracts Payable	1,517.81	
	<u>198,257.31</u>	
<u>RESERVES</u>		
Reserve for Unrealized Instalment Income	\$ 101,774.96	
Less: Reserve for Losses	69,286.68	
	<u>32,488.28</u>	
Reserve arising from appraisal of Florida real estate (net)	1,966,413.56	
	<u>1,998,901.84</u>	
<u>SHAREHOLDERS' EQUITY</u>		
Capital Stock		
Authorized 10,000,000 shares of \$ Par Value, the aggregate consideration for which shall not exceed	\$ 8,000,000.00	
Issued and Fully Paid, 9,012,500 shares	961,251.00	
Deficit, per Statement herewith	(406,276.27)	
Excess of book value of shares of Circle Four Corp. over price paid at date of acquisition	40,681.92	
	<u>595,656.65</u>	
		<u>\$ 2,810,546.36</u>

NOTE: The assets and liabilities of the United States subsidiary are included in the Financial Statement at par of exchange.

Approved on behalf of the Board
Arthur J. Lindquist Director
John W. Lindquist Director

Exploration Expenses		
Government Fees, Licenses and Taxes	\$ 136.51	
Engineer's Fees and Expenses	600.00	
	<u>736.51</u>	
Balance, 1st January, 1962	878.93	\$ 1,617.44
Administrative Expenses		
Balance, 1st January, 1962		<u>27,725.27</u>
BALANCE, 31st August, 1962, transferred to Balance Sheet		<u>\$ 29,362.71</u>

BALANCE, 1st January, 1962	\$ 363,763.18
Net Loss for the period ended 31st August, 1962 per Statement of Income and Expense herewith	<u>42,513.09</u>
BALANCE, 31st August, 1962, transferred to Balance Sheet	<u>\$ 406,276.27</u>

ABACUS MINES AND REALTY LIMITED
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE
For the period ended 31st August, 1962 (see Note)

<u>INCOME</u>		
Income Realized, Instalment	\$ 44,135.04	
Income Realized, Cost Recovery Sales	<u>17,963.20</u>	
	62,098.24	
Income from Real Estate Trusts	6,178.04	
Adjustment of Claims and Other	<u>19,768.72</u>	
		<u>\$ 88,045.00</u>
<u>EXPENSES</u>		
Directors' Fees	\$ 250.00	
Office Expense	1,077.77	
Salaries, Officers	24,000.00	
Salaries, Other	6,856.23	
Commissions Expense	2,760.00	
Rent	2,270.00	
Utilities	465.00	
Telephone	5,306.00	
Advertising	2,561.86	
Insurance	482.96	
Title Insurance	900.00	
Interest	24,479.06	
Travel	2,662.83	
Repairs & Maintenance	523.76	
Auto Expense & Rental	5,657.48	
Printing & Stationery	1,354.90	
Taxes - Payroll	621.20	
Taxes - Other	6,037.64	
Postage	300.00	
Dues & Subscriptions	119.46	
Bank Charges	36.21	
Sales Promotion	1,050.21	
Legal & Professional Fees	20,014.76	
Abstracting & Recording	744.92	
Equipment Rental	48.94	
Airplane Expense	7,777.05	
Depreciation	1,605.51	
Annual Meeting Expense	1,235.28	
Stock Exchange Listing Fees and Share Issue Expense	<u>2,731.70</u>	
		<u>130,376.39</u>
<u>NET LOSS</u> for the period ended 31st August, 1962, transferred to Statement of Deficit		<u>\$ 42,513.09</u>

NOTE: The foregoing Statement covers a twelve month period with respect to the accounts of the wholly-owned subsidiary company, First Naples Corp., and an eight month period with respect to the parent company. The parent company's expenses included herein aggregate \$12,611.99.

McDONALD, NICHOLSON & CO

ROBERT D. McDONALD, C.A.
HARVEY E. NICHOLSON, C.A.

CHARTERED ACCOUNTANTS
88 YORK STREET
TORONTO 1
ONTARIO

TELEPHONE 1-4-6

The President and Directors,
Abacus Mines and Realty Limited,
Suite 100,
22 York Street,
Toronto, Ontario.

Dear Sirs:

We have prepared the attached Consolidated Balance Sheet of Abacus Mines and Realty Limited as at 31st August, 1962, and the accompanying Consolidated Statements of Income and Expense, Deficit and Deferred Exploration and Administrative Expenses for the period ended on that date from the books and records of the Company and from information given to us. The accounts of the wholly-owned subsidiary company, First Naples Corp., have been consolidated on the basis of an unaudited financial statement prepared by a Certified Public Accountant in Coral Gables, Florida.

The accounts of the wholly-owned subsidiary, Abacus Holdings Inc., have not been consolidated since the subsidiary is not active and its assets and liabilities are insignificant.

We did not perform an audit of the accounts and accordingly we express no opinion on the financial statements.

Respectfully submitted,

Chartered Accountants.

TORONTO, 29th October, 1962.

INDUSTRIAL X-RAY de VENEZUELA, C.A.

COASTAL SERVICE COMPANY, C.A.

COMBINED BALANCE SHEET

APRIL 30, 1962

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks	
Notes and Accounts Receivable-Note 3	
Investories - Note 2 & 4	
Prepaid Expenses	
Deposits and Credits	
Total Current Assets:	

\$117,650.35
55,671.61
58,656.70
8,355.20
12,050.00

FIXED ASSETS-AT COST: Note 5

Machinery and Equipment	
Technical & Service Equipment	
Transportation Equipment	
Buildings & Leasehold Improvements	
Furniture and Fixtures	

\$ 16,159.18
216,537.55
197,575.29
69,982.42
9,157.42
\$509,411.86

Less: Accumulated Depreciation and Amortization	
---	--

190,880.41

Total Fixed Assets:

318,531.45

INVESTMENTS: Note 6

Investments-Industrial X-Ray de Columbia	
Investments-Coastal Service, S.A. Research and Development - Industrial X-Ray and UNICO	
Total Investments:	

\$ 48,970.30
50,000.00
38,240.65

OTHER ASSETS AND DEFERRED CHARGES: Note 7

Supplies, Parts and Non-Depreciable Minor Equipment	
Prepaid Fees and Expenses	
Total Other Assets:	

\$ 5,415.06
9,000.66

14,415.72

Total Assets:

\$722,541.98

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts Payable	\$ 47,432.87
Accrued Expenses	3,142.40
Taxes Payable - Note 8	
Corporate, Income and Reserve	\$ 22,102.03
Educational Tax-Instituto Nacional De Cooperacion	9,384.76
	31,486.79

Labor Indemnities - Current (Note 9)	
Utilidades	
Total Current Liabilities:	20,726.99

\$102,789.05

OTHER LIABILITIES:

Due to Officers Stockholders	
D.C. Duke	
Labor Indemnities-Non-Current (Note 9)	
Retirement, Antigüity Utilidades	
Total Other Liabilities:	
Total Liabilities:	61,546.89

\$ 32,785.84

94,332.73
\$197,121.78

STOCKHOLDERS EQUITY:

Combined Common Stock (Note 10)	
Authorized 700 Shares Issued & Outstanding 700 Shares Stated Value	
Earnings Retained in Business (Note 11)	
Total Stockholders Equity:	

\$208,955.23
316,464.97

525,420.20

Total Liabilities and Equity:

\$722,541.98

The accompanying notes to this Combined Financial Statement are an integral part of this statement and should be read in conjunction herewith.

Adm. Guy

Fiscal Year April 30

- Note 1: Net sales and income are stated after elimination of intercompany sales.
- 2: Reference is directed to Notes 2A and 2B of Notes to Combined Financial Statement.
- 3: Both companies file separate Federal Tax Returns. The income tax liability and resultant taxes paid have been restated to adjust for common fiscal years.

Year

	1957	1958	1959	1960	1961	1962
	Unaudited	Unaudited	Unaudited	Unaudited		
Combined Balance at Beginning of Period	\$ None	\$ 25,029.18	\$ 36,456.55	\$ 68,467.66	\$ 127,171.35	\$ 124,995.60
Add: Net Income - Retained Earnings for Period	25,029.18	60,803.62	85,762.76	129,024.72	136,324.25	261,969.37
	\$ 25,029.18	\$ 85,832.80	\$ 122,219.31	\$ 197,492.38	\$ 263,495.60	\$ 386,964.97
Deduct: Dividend to Stockholders	-0-	49,376.25	53,751.65	70,321.03	138,500.00	70,500.00
Balance at End of Period - (Note 11)	\$ 25,029.18	\$ 36,456.55	\$ 68,467.66	\$ 127,171.35	\$ 124,995.60	\$ 316,464.97

INDUSTRIAL X-RAY de VENEZUELA, C.A.
COASTAL SERVICE COMPANY, C.A.
NOTES TO COMBINED FINANCIAL STATEMENT

The combined Financial Statements and notes thereto give effect to transactions that occurred subsequent to April 30, 1962. Both companies are Venezuelan Corporations and income and expenses originally stated in Bolivares (B/S) have been restated in the enclosed statements into Dollars (U.S.) at the official rate of exchange of B/S \$.2985 (U.S.). Notes 1 and 2 describe the transactions incident to this report.

NOTE 1: BASIS OF ACCOUNTS:

- A. The combined statements of earnings reflect the income for the following companies and periods:

Name of Company	Organized	Transactions In-	
		cluded From	To
Coastal Service Co., C.A.	4/24/56	5/1/60	4/30/62
Industrial X-Ray de Venezuela, C.A.	1/1/59	5/1/60	4/30/62

The reporting period of Industrial X-Ray de Venezuela, C.A. ends on December 31, and the fiscal year of Coastal Service Co., C.A. ends April 30.

The accounts of Coastal Service Co., C.A. and Industrial X-Ray de Venezuela, C.A. have been restated to reflect the income and expenses on the basis of a common fiscal year ended April 30. All inter-company sales have been eliminated from the combined statement of earnings.

- B. The combined Balance Sheet includes the accounts of both companies described in (A) above, after the elimination of all Inter-Company accounts.

NOTE 2: BASIS OF REPORTING AND CHANGE IN ACCOUNTING PROCEDURES:

- A. In prior periods, both companies have followed a practice of deferring income. This was done by charging off all of their costs of contracts, (labor, materials, etc) in the current fiscal or calendar year.

Accordingly, the companies have understated their earnings in these prior periods. As at April 30, 1962, the combined statement of earnings, (Coastal Service Co., C.A. and Industrial X-Ray de Venezuela, C.A.) have been restated to include the combined material, and work in process inventories.

- B. Effective April 30, 1962, both companies have changed their accounting treatment of reporting to include material inventories and work in process.

This change resulted in the company's reporting an additional combined sum of \$58,656.70 as earnings in the fiscal period April 30, 1962.

Reserves for income taxes attributable to this additional earnings have been recorded by the companies on their books and on the Balance Sheet date of April 30, 1962.

NOTE 3: ACCOUNTS RECEIVABLE:

Both companies are on the 'direct charge off' basis of accounting for bad debts, and consequently maintain no reserve. Confirmation and review of the accounts receivable at the Balance Sheet date indicate that all are fully collectable.

NOTE 4: INVENTORIES:

The inventories have been priced at the lower cost or market, determined generally by the use of first in first out method of consumption of material.

Work in process inventories include material, labor, and other direct costs applied on the basis of current cost ratios.

The inventories at April 30, 1962 consisted of:

Work in Process	\$ 35,741.85
Materials on Hand	22,914.85
	<u>\$ 58,656.70</u>

As both companies did not employ inventories in computing costs of sales in prior periods, it was deemed inadvisable to restate the prior statement of earnings.

NOTE 5: FIXED ASSETS:

The depreciation policy of the companies is to provide depreciation over the estimated useful lives of the assets on a straight line basis at the following annual rates:

Technical Machinery & Equipment	10% and 20%
Furniture and Fixtures	10%
Automotive & Transportation Equip.	20% and 25%
Building & Leasehold Improvements	3%; 5% and life of Lease
Machine Shop Equipment	10% and 20%

Expenditures for maintenance and repairs are charged to earnings and betterments and renewals are capitalized. The cost of assets sold or retired and related depreciation have been eliminated from the Fixed Asset account.

INDUSTRIAL X-RAY de VENEZUELA, C.A.
COASTAL SERVICE COMPANY, C.A.
NOTES TO COMBINED FINANCIAL STATEMENT

NOTE 6: INVESTMENTS:

A. Investment - Industrial X-Ray de Venezuela

Industrial X-Ray de Venezuela, C.A. invested funds and equipment into Industrial X-Ray de Columbia during 1961-1962. The total net investment by the company into this Columbian Corporation as at April 30, 1962 amounted to \$48,907.30. Industrial X-Ray de Venezuela, C.A. owned 49% of the Capital Stock of the Columbian Company in conjunction with Mr. D.C. Duke, who is the owner of the remaining 51% of the Columbian organization.

The sales and expenses of the Columbian operation are unrelated and have not been included in the combined statement of earnings of the companies.

Industrial X-Ray de Venezuela, C.A. has received as income from the Columbian operation to date the sum of \$39,860.69 which is included in the statement of retained earnings for the period January 1, 1961 to April 30, 1962.

B. Investment - Coastal Service Company, C.A.

The Coastal Service Company, C.A. invested funds and equipment into Coastal Service, S.A. during 1960-1961. The total net investment by the company into Coastal Service, S.A. as at April 30, 1962 amounted to \$50,000.00.

Coastal Services Company, C.A. owns 49% of the Capital Stock of Coastal, S.A.

The sales and Expenses of Coastal Services Company, S.A. are unrelated and have not been included in the combined statement of earnings.

The Coastal Service Company, C.A. has received as income from Coastal Services, S.A. to date the sum of \$99,457.09 which has been included in the statement of earnings of the company for the period May 1, 1960 thru April 30, 1962.

C. Research and Development:

Research and development expenses of \$38,240.65 incurred during the year ended April 30, 1962 by Coastal Services Company, C.A. and Industrial X-Ray de Venezuela were capitalized by the companies. These expenditures were in connection with the design and manufacturer of new oil inspection equipment, and in the development of UNICO an industrial equipment sales organization.

Labor, materials and other costs directly attributable to each program were computed and capitalized and expenses correspondingly reduced. Overhead expenses attributable to this program were not capitalized. Research and development expenses will be amortized ratably over a period not to exceed sixty months during which benefits from the expenditures are realized by the companys starting with the month in which benefits are first realized.

Industrial X-Ray de Venezuela, C.A. has commenced using this new equipment and related process on Nydro Electric, Oil and Gas Lines inspection contracts.

NOTE 7: OTHER ASSETS AND DEFERRED CHARGES:

- A. The supplies and parts inventories are stated at cost (principally average cost) or market, whichever is lower. The supply and parts inventory at April 30, 1962 consisted of:

X-Ray Equipment Parts and Supplies	\$ 1,854.45
Automotive and Transportation Parts and Accessories	700.00
Total:	\$ 2,554.45

The repair tools and minor equipment value are stated at cost:

It has been the companies practice to maintain a repair tool and minor equipment inventory on which no depreciation is taken.

The cost of tools or minor equipment disposed of, or retired, are eliminated from the account in the year of disposal, and new expenditures for this account are capitalized.

The value of the repair tools and minor equipment of the companies at April 30, 1962 was

Total: Supplies, Parts and Minor Equipment:	2,860.61
	\$ 5,415.06

- B. Fees and professional charges incurred during the period January 1, to April 30, 1962 for Business-Research and Development were capitalized by the companies. These charges cover services for a twenty-four month period and have been amortized ratably from January 1, 1962. The unamortized portion of these fees and charges amounted to \$9,000.66 as at April 30, 1962.

[Handwritten signature]

INDUSTRIAL X-RAY de VENEZUELA, C.A.
COASTAL SERVICE COMPANY, C.A.
NOTES TO COMBINED STATEMENT OF EARNINGS
FOR THE THREE MONTH PERIOD ENDED JULY 31, 1962

The Combined Statement of Earnings for the three month period beginning May 1, 1962 and ended July 31, 1962 include all company transactions of both corporations that occurred during this period. Both companies are Venezuelan Corporations and income and expenses of the companies have been restated in this report from Bolivares (B/S) into U.S. dollars at the prevailing rate. Although the official exchange rate is B/S \$.2985 or 3350083 to the U.S. dollars, the current prevailing free rate of exchange is 454 B/S to the U.S. dollar. The enclosed statements reflect both companies income and receipts on the basis of dollar payments at par and B/S at the current free rate.

NOTE 1: Basis of Accounts:

The combined statement of earnings reflect the income and expenses for both companies as well as the net income (loss) for the UNICO division of Coastal Service Company, C.A. for the period June 20, 1962 through July 31, 1962 inclusive.

All inter-company sales or exchanges or charges have been eliminated in the individual and combined statements for this period.

NOTE 2: Basis of Reporting:

Effective April 30, 1962, both companies adopted a common fiscal year, (i.e. March 31) and also changed their accounting treatment of including their work in process and material inventories as a reduction of their direct cost of operations.

NOTE 3: Service and Technical Fees:

The Combined Statement of Earnings for both companies include fees and income received from these companies, Columbian operations and from Coastal Service Co., S.A. All expenses of the Columbian operations incident to and incurred by either or both companies, have been properly included in the enclosed report.

The Combined Statement of Earnings reflect the income from the Columbian and Coastal S.A. operation as follows:

<u>Name of Company</u>	<u>Source</u>	<u>Amount</u>
Coastal Service Co., C.A.	Columbian Operation	\$ 42,914.11
Coastal Service Co., C.A.	Coastal, S.A.	<u>9,528.23</u>
		\$ 52,442.34
Industrial X-Ray de Venezuela	Columbian Operation	<u>13,492.05</u>
		<u>\$ 65,934.39</u>

The Gross Income, Cost of Operations and Other Costs of Coastal Service Co., S.A. have not been included in this Combined Statement of Earnings. The sales and income of both companies have been restated into U.S. dollars in accordance with prevailing exchange rates.

NOTE 4: Inventories

The inventories have been priced at the lower cost or market, determined generally by the use of the first in first out method of consumption of material.

Work in process inventories include material on the job site, labor, and other direct costs applied on the basis of current cost ratios.

The inventories at July 31, 1962 as stated and submitted by the companies consisted of:

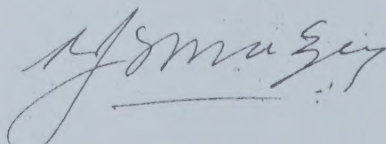
Work in Process	\$ 28,455.26
Materials on Hand	<u>24,166.52</u>
	<u>\$ 52,621.78</u>

NOTE 5: Other Income

Included in the Combined Statement of Earnings is the net loss from operations of the UNICO division of Coastal Service Company, C.A. for the period June 20 thru July 31, 1962.

UNICO is the industrial purchasing division of Coastal Service Company, C.A. This division is presently being expanded to become an industrial export sales agency for other industrial concerns in Venezuela and Columbia exclusive of Coastal Service Company, C.A.

The division income and expenses for this period have not been included in this report with the exception of the division net loss for the period. The UNICO division reported gross billings of \$11,389.45 for this period and costs and expenses of \$12,313.30.



INDUSTRIAL X-RAY de VENEZUELA, C.A.
COASTAL SERVICE COMPANY, C.A.
NOTES TO COMBINED FINANCIAL STATEMENT

NOTE 8: TAXES PAYABLE - VENEZUELA:

All applicable adjustments for Venezuelan income and educational taxes have been accrued by the companies for the period ended April 30, 1962 at rates currently in effect.

As stated in Note 1, the companies included in the financial statements have different fiscal years. Thus, income tax liability will necessarily change dependent on the results of operations of each company from May 1, 1962 to the end of its fiscal year.

The status of Venezuelan Income Tax Return filed by the companies follows:

	Years Examined
Coastal Service Co., C.A.	Through 4/30/61
Industrial X-Ray de Venezuela, C.A.	Through 12/30/60

NOTE 9: LABOR INDEMNITIES:

Under Venezuelan law, both companies have been required to maintain indemnity and retirement programs for their employees. Both companies have contributed to this program for their employees benefit since the companies inception.

Company contributions are based on employee earnings and length of service. The companies administer the program and controls the indemnity funds.

Periodic payments to the companies employees upon their retirement or the termination of employment by the company are mandatory.

As at April 30, 1962, the companies had a net remaining liability to their employees under the Labor Indemnity Program as follows:

	Coastal	Industrial
Notice	\$ 4,354.01	\$ 4,310.64
Utilidades	6,631.18	5,431.16
Vacation and Retirement	25,238.30	11,852.87
Antiquity	17,552.35	6,903.37
Total:	\$ 53,775.84	\$ 28,498.04
Combined Total:		\$ 82,273.88

NOTE 10: CAPITAL STOCK:

The summary of the capitalization of the companies are as follows:

Company	Type	Authorized & Issued	Stated Incorporated Value
Coastal Serv	Common	500 Shares U.S.	\$149,253.73
Industrial	"	200 " "	59,701.50
			\$208,955.23

The ownership of the issued common stock of the companies on April 30, 1962 follows:

	D.C. Duke	Directors & Officers as a Group
Coastal Service Co., C.A.	86%	14%
Industrial X-Ray de Venezuela, C.A.	100%	None

NOTE 11: RETAINED EARNINGS:

A combined statement of both companies retained earnings for the period May 1, 1960 through April 30, 1962 has been included in the report.

The combined statement of earnings for the seven years ended April 30, 1962 shows the results of operations for Coastal Service Company, C.A. and Industrial X-Ray de Venezuela, C.A. as follows:

Coastal Service Co., C.A.	5/1/56 through 4/30/62
Industrial X-Ray de Venezuela, C.A.	1/1/59 through 4/30/62

The combined statement of earnings and combined statement of retained earnings (surplus) should be read in conjunction with the notes to the combined financial statement.

The combined summary of earnings and dividends is as follows:

Total Retained Earnings	\$698,913.90
Less: Dividends	382,448.93
Net Retained Earnings:	\$316,464.97

NOTE 12: GENERAL AND ADMINISTRATIVE EXPENSES:

As noted, both companies have followed a practice of charging all of their direct costs of contracts, (labor, materials, supplies, etc.) in the prior fiscal years.

As at April 30, 1962, the combined companies changed this accounting treatment and included merchandise inventories and supplies as parts on hand.

The work in process inventories includes materials, labor and other direct costs on the basis of current cost ratios, and also include some items charged by the companies as General and Administrative Expenses, which were reclassified on the April 30, 1962 report.

R. J. M. G. Y.

November 21, 1962

Toronto Stock Exchange
Toronto, Canada

Re: Abacus Mines and Realty, Limited

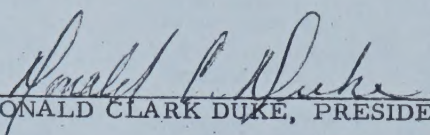
Gentlemen:

Reference is made to the financial statements dated April 30, 1962, of Industrial X-Ray de Venezuela, C.A. and Coastal Services, C.A.

This is to certify that there has been no material change in the financial statements of these two companies since April 30, 1962.

Very truly yours,

INDUSTRIAL X-RAY de VENEZUELA, C.A.
and COASTAL SERVICES, C.A.

By 
DONALD CLARK DUKE, PRESIDENT

DCD:blm

LAW OFFICES

ROBERT H. SLATKO

525 PAN AMERICAN BANK BUILDING
MIAMI 32, FLORIDA
FRANKLIN 9-1854

November 23, 1962

Clark Campbell, Esquire
Messrs. Day, Wilson, Martin & Campbell
250 University Street
Toronto, Canada

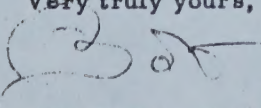
Dear Sir:

Reference is made to our telephone conversation of even date with respect to Industrial X-Ray de Venezuela, C. A. and Coastal Services, C.A.

The income of both of these companies comes exclusively from services rendered in the oil fields to American oil companies.

These American oil companies pay for the services in dollars rather than in Venezuelan currency. As a result, there is no question of repatriation of funds from Venezuela since the dollar payments are made directly to the accounts of the companies in the United States. However, it should be noted that even if this were not the case, there is free convertibility between Venezuelan and United States currencies.

Very truly yours,


ROBERT H. SLATKO

RHS:blm

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Donald Clark Duke, Apartado 581, Maracaibo, Venezuela.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	A total of 4,700,000 shares of the capital stock of the Company are held in escrow by the Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario, subject to release, transfer, hypothecation and/or alienation only on the consent of the Toronto Stock Exchange and the Board of Directors of the Company.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Clifford Anderson, P.O. Box 1256, South Miami, Florida. Jean M. Nelson, an Assistant Secretary of the Company, holds 400,000 escrowed shares of the Company's Capital Stock, which shares are held for the benefit of the Company.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	The following are the five largest registered shareholders of the Company:- Clifford Anderson, P.O. Box 1256, South Miami, Florida. 4,128,313 shares (4,128,312 of which are escrowed) These shares are held beneficially by the registered holder. W.D. Latimer, 244 Bay Street, Toronto, Ontario. 1,222,453 shares Of these shares, 757,150 are beneficially held by Clifford Anderson. The beneficial ownership of the balance is unknown. Jean M. Nelson, 19 Gothic Ave., Toronto, Ontario. 400,000 shares (all of which are escrowed) These shares are held for the benefit of the Company. John P. Bond, Trustee, 1955 Southwest 17th Ave., Miami, Florida. 293,376 shares (146,688 of which are escrowed) The beneficial owner of these shares is not known. Jack Barnes, 1243 - 12th Ave. West, Naples, Florida. 79,179 shares The beneficial owner of these shares is not known.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Upon completion of the transaction referred to in item 11. hereof Messrs. Clifford Anderson, P.O. Box 1256, South Miami, Fla., and Donald Clark Duke, Maracaibo, Venezuela, S.A., will, through beneficial ownership of shares of the Company be in a position to elect a majority of the Board of Directors.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	N/A
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	N/A
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts The shares of the Company are not in the course of primary distribution to the public.

CERTIFICATE OF THE COMPANY

DATED OCTOBER 30th, 1962.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ABACUS MINES AND REALTY, LTD.

"C. Anderson"

"R.M. Williams"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE
SEAL

President

Director

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)